San Diego Data Processing Corporation

San Diego Data Processing Corporation Executive Summary FY2005 Revenue and Expense Highlights

San Diego Data Processing Corporation Executive Summary FY 2005 Budget Overview

	Reve	enue: Based on City Department Budgets - adjusted for rate reductions. Representation from City that: SDDPC's business lines would remain unchanged for FY05. City Departments expected to spend to the FY05 budgeted levels – particularly for labor.
	Expe	enses:
		Staffing level - 322 or 24 positions lower than FY04 budget.
		Chief Executive Officer - replaced.
		Chief Technology Officer - not replaced.
		Merit increase - 2% or \$237K.
		Business Meetings and Events Expense - reduced \$109K or 83% from FY04 Budget.
		Memberships and Dues - reduced \$26K or 69% from FY04 Budget.
		New Technology Evaluation deferred - \$200K reduction from FY 04 Budget.
		Calle Fortunada Property - subleased by Dec 04.
•	Capi	tal and Depreciation: Capital Budget - \$5.2M. \$\Bigsilon\$ \$4.2M lower than FY04 Budget.

- □ Depreciation \$5.2M
 - \$0.7M lower than FY 04 Budget.

Aligns with FY05 Rate Negotiation Process.

□ NIU Project, Suite E Renovation, and IBM Mainframe upgrade - completed in FY04.



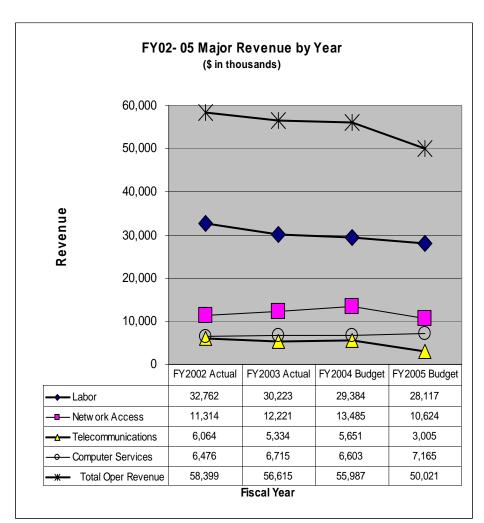
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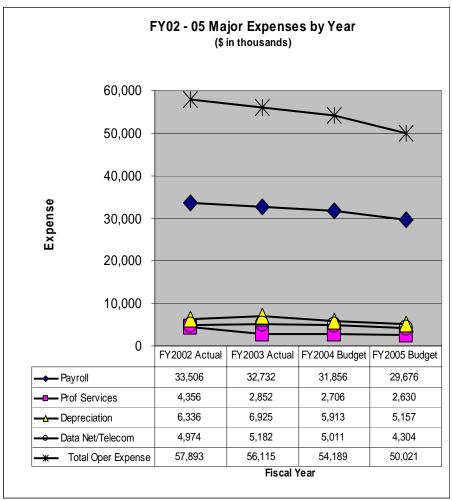
FY2005 Budget - Key Indicators

	FY	2002	FY	2003	FY2004		FY	2005		
	<u>A</u>	<u>ctual</u>	<u>A</u>	<u>ctual</u>	Bı	udget	Es	<u>timate</u>	<u>B</u> ı	<u>udget</u>
Average Headcount										
DPC		396		377		338		319		314
External		36		16		8		13		8
Total		432		393		346		332		322
Operating Revenue	\$	58.4	\$	56.6	\$	56.0	\$	53.0	\$	50.0
Total Revenue		85.8		79.0		69.2		68.2		63.9
Operating Expense		57.9		56.1		54.2		51.2		50.0
Total Expense		85.3		78.5		67.4		66.4		63.9
Surplus		0.5		0.5		1.8		1.8		-
Capital	\$	7.9	\$	3.3	\$	9.4	\$	6.9	\$	5.2

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FY02 – 05 Revenue and Expense – Summary Comparison





San Diego Data Processing Corporation FY2005 Budget

Statement of Revenue and Expenses

(Dollars in Thousands)

	FY04	FY04	FY04 Est - FY04 Budget		FY05		FY05 Bud - FY04 Budget			
	Budget	Est Actual	Incr/(Decr)	% Chg	Budget		Incr/(Decr)	% Chg	Incr/(Decr)	% Chg
Revenues:										
Labor	\$ 29,383	\$ 26,250	\$ (3,133)	-11%	28,117		(1,266)	-4%	\$ 1,867	7%
Network Access	13,485	13,016	(469)	-3%	10,624		(2,861)	-21%	(2,392)	-18%
Telecommunications	5,651	5,579	(72)	-1%	3,005		(2,646)	-47%	(2,574)	-46%
Data Center	6,603	7,080	477	7%	7,165		562	9%	85	1%
Procured Services Fees	852	991	139	16%	1,098		246	29%	107	11%
Interest/Other	12	41	29	242%	12		-	0%	(29)	-71%
Operating Revenue	55,987	52,958	(3,029)	-5%	50,021		(5,966)	-11%	(2,936)	-6%
Procured Services	13,195	15,196	2,001	15%	13,904		709	5%	(1,292)	-9%
Total Revenue	69,182	68,154	(1,028)	-1%	63,925		(5,257)	-8%	(4,228)	-6%
Expenses:	Evnansas:									
Salaries & Benefits	31,856	29,588	(2,268)	-7%	29,676	1	(2,180)	-7%	88	0%
Professional Services	2,706	2,620	(86)	-3%	2,630		(76)	-3%	10	0%
Equipment	2,084	1,888	(196)	-9%	2,158		`74 [′]	4%	270	14%
Software	2,907	2,974	67	2%	3,005		98	3%	31	1%
Depreciation	5,913	5,402	(511)	-9%	5,157		(756)	-13%	(245)	-5%
Interest	100	13	(87)	-87%	35		(65)	-65%	22	169%
Facility Expense	2,159	2,285	126	6%	1,848		(311)	-14%	(437)	-19%
Supplies	155	92	(63)	-41%	138		(17)	-11%	46	50%
Data Network/Telecomm	5,011	5,122	111	2%	4,304		(707)	-14%	(818)	-16%
Other	1,299	1,173	(126)	-10%	1,070		(229)	-18%	(103)	-9%
Operating Expenses	54,189	51,158	(3,032)	-6%	50,021		(4,169)	-8%	(1,137)	-2%
Cost of Procured Services	13,195	15,196	2,001	15%	13,904		709	5%	(1,292)	-9%
Total Expenses	67,385	66,354	(1,031)	-2%	63,925		(3,460)	-5%	(2,430)	-4%
Net Surplus (Deficit)	\$ 1,797	\$ 1,800	\$ 3	0%	\$ 0		\$ (1,797)	-100%	\$ (1,800)	-100%

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San Diego Data Processing Corporation Executive Summary

FY 2005 Budget - Challenges and Opportunities

CHALLENGES

- Volume Reductions by City Departments
 - Network Connections
 - Voice Connections
 - Computer Usage
- □ Reduced City Department demand for Labor services
- Impact of City Manager's Report

OPPORTUNITIES

- □ Lower Worker's Compensation Premiums
- Negotiate further savings on maintenance contracts
- □ Accelerate sublease of Calle Fortunada
- □ Unfunded technology needs
- Savings from Operational Efficiencies

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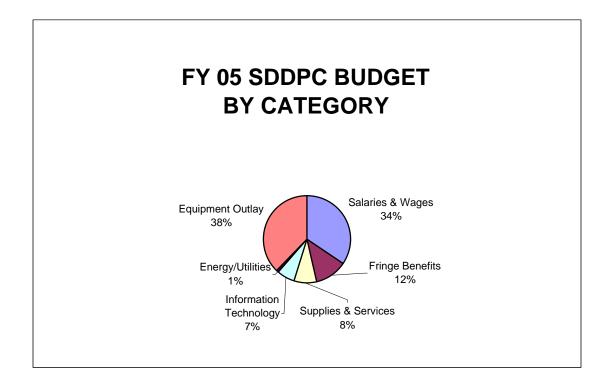
	FY 2003 Actual	Fy 2004 Budget	FY 2005 Proposed	FY 2004-2005 Change
Positions	377	338	314	(24)
Personnel Expense	\$ 32,732,000	\$ 31,856,000	\$ 29,676,000	\$ (2,180,000)
Non Personnel Expense	\$ 45,799,000	\$ 35,529,000	\$ 34,249,000	\$ (1,280,000)
TOTAL	\$ 78,531,000	\$67,385,000	\$ 63,925,000	\$ (3,460,000)

Significant Budget Adjustments

San Diego Data Processing Corporation	Positions	Cost
Salaries and Benefits The decrease of \$2,180,000 is comprised of \$1,485,000 in lower salaries and \$695,000 in lower benefit expense primarily due to a reduction of 24 positions between Fiscal Year 2004 and Fiscal Year 2005.	(24)	(\$ 2,180,000)
Depreciation Expense: The decrease of \$756,000 is primarily due to prior year capital investments becoming fully depreciated.	0.00	(\$ 756,000)
Procured Services Expense: The increase of \$709,000 is primarily due to higher volume of client purchases of IT goods and services.	0.00	\$ 709,000
Data Network and Telecommunications Expense: The decrease of \$707,000 is primarily due to savings from the new contract for Wide Area Network services.	0.00	(\$ 707,000)
Facilities Expense: The decrease of \$311,000 is primarily due to the savings associated with the consolidation of facilities – from three to two primary locations.	0.00	(\$ 311,000)
Other Expenses: The decrease of \$229,000 is comprised primarily of reduced business meetings and events, lowered membership dues, and decreased payroll processing and bank charges.	0.00	(\$ 229,000)

	FY 2003	FY 2004	FY 2005
	ACTUAL	BUDGET	PROPOSED
PERSONNEL			
Salaries & Wages	\$ 25,049,000	\$ 23,515,000	\$ 22,030,000
Fringe Benefits	\$ 7,683,000	\$ 8,341,000	\$ 7,646,000
SUBTOTAL PERSONNEL	\$ 32,732,000	\$ 31,856,000	\$ 29,676,000
NON-PERSONNEL			
Supplies & Services	\$ 5,741,000	\$ 5,933,000	\$ 5,331,000
Information Technology	\$ 5,182,000	\$ 5,011,000	\$ 4,304,000
Energy/Utilities	\$ 456,000	\$ 486,000	\$ 390,000
Equipment Outlay	\$ 34,420,000	\$ 24,099,000	\$ 24,224,000
SUBTOTAL NON-PERSONNEL	\$ 45,799,000	\$ 35,529,000	\$ 34,249,000
TOTAL	\$ 78,531,000	\$ 67,385,000	\$ 63,925,000

Salaries & Wages	\$22,030,000
Fringe Benefits	\$7,646,000
Supplies & Services	\$5,331,000
Information Technology	\$4,304,000
Energy/Utilities	\$390,000
Equipment Outlay	\$24,224,000



HEADCOUNT BY POSITION TITLE FY04 BUDGET VS FY05 BUDGET

	FY04	FY05	FY05
Position Title	Positions	Positions	Salary
Accounting/Billing	5	3	145,548
Acctg/Fin Manager	2	2	146,832
Admin Asst.	7	7	275,106
Asst. Prog. Analyst	0	3	134,834
Buyer	4	4	247,305
Client Relations Manager	10	8	678,081
Client Relations Rep.	2	2	87,277
Computer Operator	10	9	324,887
Data Entry Operator	2	2	51,736
Database Admin.	12	10	827,140
Desktop Support Analyst	23	19	903,495
Executive Staff	10	10	1,271,406
Facilities/Maintenance	4	4	169,286
Financial Analyst	3	3	184,995
GIS Technician	2	2	60,895
Help Desk Specialist	5	5	218,613
Human Resources	5	4	233,664
Info Security	2	2	108,505
Manager, Resource	15	16	1,635,172
Net. Engineer	9	9	785,525
Net. Support Engineer	2	2	141,514
Net. Svcs. Tech	7	7	379,532
Net. Sys. Analyst	9	9	480,701
Network Administrator	33	29	1,816,029
Principal Analyst	38	38	3,179,391
Prod Control	7	7	294,668
Prog. Analyst	48	39	2,676,882
Program Manager	0	2	189,736
Project Manager	20	16	1,304,612
Sr. Technical Specialist	6	6	632,567
Super, Operations	4	4	240,733
Super, Serv. Del.	3	0	-
Super., Technical Services	2	4	299,088
Systems Prog.	17	17	1,448,181
Tech. Support Analyst	10	10	456,064
	338	314	22,030,000